

**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

DEPT. OF TRANSPORTATION
DOCKETS

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Application of

CENTURION AIR CARGO, INC.

for a certificate of public convenience
and necessity
(U.S.-open skies countries)

Docket OST-04-19189 - 3

SUPPLEMENTAL SUBMISSION OF CENTURION AIR CARGO, INC.

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Dated: February 25, 2005

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On September 22, 2004, Centurion Air Cargo, Inc. ("Centurion" or the "Company") applied for a certificate of public convenience and necessity for authority to operate scheduled all-cargo services to and from various countries that have concluded liberal, open skies all-cargo agreements with the United States. No answers were filed in response to that application.

In a recent communication, the Department's staff requested that Centurion provide it with certain additional information regarding the Company's plans for utilizing the requested new authority. In response to that request, Centurion respectfully states as follows:

1. Centurion currently operates charter all-cargo services to various points in Latin America, including Bogota and Cali. For example, the Company currently operates a highly successful cargo charter program to/from Colombia. That program features approximately 11 DC-10-30F/40F flights per week between Miami and Bogota, and 3 DC-10-30F flights per week between Miami and Cali via Bogota. Centurion also operates a weekly cargo charter program to Luxembourg and also operates ad hoc charters to a number of other destinations.

2. Although Centurion has been able to operate quite successfully under its existing charter authority, the Company's experience has been that there may be certain markets where it would be advantageous - whether to satisfy customer expectations and/or take advantage of the added flexibility that comes with a scheduled operation - to convert its existing charter operations to scheduled service. With that in mind, Centurion now is seeking to obtain scheduled authority to countries that have concluded liberal, open skies all-cargo agreements with the United States so that the Company will have the flexibility to convert its charter services to scheduled operations as market conditions warrant and will have the ability to exploit other commercial opportunities that may arise from time to time.

3. Although its application is broad in scope, Centurion does not intend to make any "substantial change" in the nature of its operations or the size or composition of its fleet. Similarly, the Company has no intention of rushing head-long into a number of new markets. To the contrary, the Company expects to continue focusing its efforts upon developing the Latin America cargo market and expects to continue serving many of its existing charter markets on a charter basis. Any decision to institute scheduled service in a particular market would likely come as a result of a decision to convert an existing charter program to scheduled service and would only be taken if and when market conditions warrant. In such instances, since Centurion already will have been operating charter flights in the market, the Company already will have in place the necessary personnel, sales, handling and maintenance arrangements to support such an operation. Hence, the transition to scheduled service would be implemented gradually and in a

manner that would not adversely affect Centurion's existing operations or strain the Company's resources.

4. One market that Centurion has identified where it most likely would convert its existing charter program to scheduled service is Colombia. As noted, the Company already has a highly successful cargo charter program to/from Colombia and now operates approximately 14 DC-10-30F/40F flights per week in the market.¹ The Company anticipates that it would offer up to eleven weekly frequencies in the Miami - Bogota market and up to three weekly frequencies in the Miami - Cali/Bogota market. As market conditions warrant, Centurion may consider expanding its scheduled all-cargo services to include flights between Miami and Barquisimeto/Medellin. All flights would be operated with DC-10-30F/40F freighters in Centurion's fleet.²

5. DOT previously has granted broad international authority under circumstances similar to those present here. A number of other cargo airlines - including Amerijet, Express One, Federal Express, UPS, World, Gemini, Polar, Florida West, Atlas and American International - have received broad certificate rights to serve countries that have liberal, open

¹ Although the Department already has granted an exemption to Centurion to provide scheduled all-cargo service to Colombia - and the Company is in the process of securing the necessary Colombian governmental approvals to convert its existing charter program to scheduled service - approval of the pending application will eliminate the need to apply for periodic renewal of that exemption authority.

² The Company currently operates four DC-10-30F/40F freighters that fully comply with all applicable noise and environmental requirements. Since Centurion would be converting an existing charter program to scheduled service, the Company would not need to acquire additional aircraft in order to operate the proposed scheduled service to Colombia.

skies all-cargo agreements with the United States. See e.g. DOT Order 2002-3-21 (Amerijet International Inc.); DOT Order 2001-5-26 (Express One International, Inc.); and DOT Order 99-12-7 (Polar Air Cargo, Inc.; United Parcel Service, Co.; Federal Express Corporation; Gemini Air Cargo, Inc.; Emery Worldwide Airlines, Inc.; Fine Air Services, Inc.; Atlas Air, Inc.; Evergreen International Airlines, Inc.; Florida West Airways, Inc., and American International Airways, Inc). Significantly, in none of those cases did the Department require that the applicant have a specific plan to serve any of the countries for which the authority was being sought where the underlying bilateral arrangements did not limit the number of designations and/or the number of frequencies that may be operated by U.S. carriers. Cf. Order 99-12-7, at 3 (requested authority to South Africa withheld because the relevant aviation agreement limited the number of frequencies that may be operated by U.S. carriers and the applicant had not presented a specific plan to serve the market; however, the Department stressed that applicants were “free to reapply for this authority should they develop firm plans to serve the market”).

5. In 1999, the Department granted the applications of nine all-cargo operators for authority that was similar in scope to that being requested here. In so doing, the Department observed:

“[A]ll of the applicant carriers have argued that granting broad all-cargo authority will enable the applicant carriers to be more responsive to the rapidly changing needs of the marketplace. In addition, the carriers have argued that the grant of their applications would provide increased administrative convenience for both the applicant carriers and the Department. We find these arguments compelling. Granting the broad all-cargo authority herein will benefit the shipping public by increasing the applicant carriers’ ability to respond as soon as traffic or competitive consideration warrant without having to return repeatedly to secure the necessary authority each time a carrier wants to serve a particular market.”

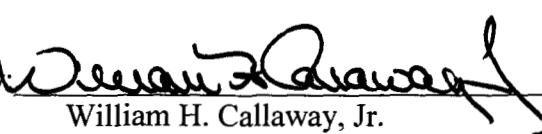
Id. at 4. These same considerations apply with equal force to the current application of Centurion for similar authority.

6. Centurion is fit, willing and able to perform these scheduled services and to conform to the Department's rules, regulations, and requirements. The Department recently granted Centurion an exemption to provide scheduled all-cargo service to Colombia. Notice of Action Taken, Docket OST-2004-18880 (September 2, 2004).

7. Centurion's proposed service clearly is in the public interest. Such authority also will enhance Centurion's ability to serve its exiting customers and to develop new markets. It also will promote the development of a strong and vibrant U.S. air cargo industry and increase competition in international markets to the benefit of the shipping public. Further, the requested authority will allow Centurion to take full advantage of valuable operating rights granted in the "open skies" all-cargo agreements between the United States and the relevant foreign countries. Finally, the issuance of such would eliminate the need for Centurion to seek exemption authority every time a commercial opportunity presents itself and would eliminate the need to obtain periodic renewals of such authority.

WHEREFORE, for the foregoing reasons and the reasons set forth in its September 22, 2004 application, Centurion Air Cargo, Inc., respectfully requests that its application for a certificate of public convenience and necessity be approved, together with such other, further, different and additional relief as the Department may deem appropriate.

Respectfully submitted,

By 
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